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**DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana**

**Basic Financial Statements  
With Accountant's Review Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended  
December 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-20-05

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana

Basic Financial Statements  
With Accountant's Review Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended  
December 31, 2004

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DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Contents, December 31, 2004

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**MARY JO FINLEY, CPA, INC.**

A PROFESSIONAL CORPORATION

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**Accountant's Review Report**

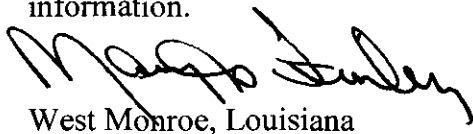
BOARD OF COMMISSIONERS  
DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana

I have reviewed the accompanying financial statements of the governmental activities of the District No. 6, Claiborne Parish Fire Department, Inc. as of and for the year ended December 31, 2004, which collectively comprise the fire district's basic financial statements as listed in the table of contents, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Fire District No. 6, Claiborne Parish Fire Department, Inc.

A review consists principally of inquiries of the District No. 6, Claiborne Parish Fire District, Inc.'s personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information on pages 5 through 8 and 27 through 28, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.



West Monroe, Louisiana

May 13, 2005

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana

**Management's Discussion and Analysis**  
December 31, 2004

As management of the District No. 6, Claiborne Parish Fire Department, Inc., we offer readers of the District No. 6, Claiborne Parish Fire Department, Inc.'s financial statements this narrative overview and analysis of the financial activities of the District No. 6, Claiborne Parish Fire Department, Inc. for the fiscal year ended December 31, 2004. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the District No. 6, Claiborne Parish Fire Department, Inc.'s basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2005.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

***Government-wide financial statements.*** The *government-wide financial statements* are designed to provide readers with a broad overview of the District No. 6, Claiborne Parish Fire Department, Inc.'s finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the District No. 6, Claiborne Parish Fire Department, Inc.'s assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District No. 6, Claiborne Parish Fire Department, Inc. is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District No. 6, Claiborne Parish Fire Department, Inc., like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District No. 6, Claiborne Parish Fire Department, Inc. are governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District No. 6, Claiborne Parish Fire Department, Inc. adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District No. 6, Claiborne Parish Fire Department, Inc.'s performance.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the District No. 6, Claiborne Parish Fire Department, Inc. exceeded liabilities by \$1,174,662. Approximately 77% of the District No. 6, Claiborne Fire

Department, Inc.'s net assets reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the District No. 6, Claiborne Parish Fire Department, Inc. to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net assets for the first time.

Since this is the first year of implementing the new reporting model, comparative information is not available for further government-wide financial analysis. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

### **Financial Analysis of the Government's Funds**

As noted earlier, the District No. 6, Claiborne Parish Fire Department, Inc. uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2004, the general fund's governmental fund balances of \$274,318 showed an increase of \$59,217 over December 31, 2003.

### **General Fund Budgetary Highlights**

The major difference between expenditures in the original budget and the final budget was due to a decrease in estimated capital outlay.

### **Capital Asset and Debt Administration**

**Capital assets.** The District No. 6, Claiborne Parish Fire Department, Inc.'s investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$1,304,178 (net of accumulated depreciation). This investment includes buildings, vehicles, furniture and equipment. There was an increase of \$274,607 in capital assets for the year.

**Long-term debt.** The District No. 6, Claiborne Parish Fire Department, Inc. has general long-term debt outstanding of \$390,676 at December 31, 2004. During the year \$20,769 was applied to principal. The principal and interest requirements are funded by an annual ad valorem tax and is anticipated to be retired in 2009.



## **Requests for Information**

This financial report is designed to provide a general overview of the District No. 6, Claiborne Parish Fire Department, Inc.'s finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District No. 6, Claiborne Parish Fire Department, Inc., P.O. Box 199, Lisbon, LA 71048.

May 13, 2005

## **BASIC FINANCIAL STATEMENTS**

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana

STATEMENT OF NET ASSETS  
December 31, 2004

**ASSETS**

Cash and cash equivalents	\$8,527
Investments	92,491
Receivables - ad valorem taxes	203,157
Capital assets (net of accumulated depreciation)	<u>1,304,178</u>
TOTAL ASSETS	<u><u>\$1,608,353</u></u>

**LIABILITIES**

Accounts payable	\$9,105
Payroll taxes payable	1,044
Interest payable	13,158
Deferred revenues	19,708
Long-term liabilities:	
Due within one year	71,693
Due in more than one year	<u>318,983</u>
TOTAL LIABILITIES	433,691

**NET ASSETS**

Invested in capital assets, net of related debt	913,502
Unrestricted	<u>261,160</u>
TOTAL NET ASSETS	<u><u>\$1,174,662</u></u>

See accompanying notes and accountant's compilation report.

**Statement B**

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana

STATEMENT OF ACTIVITIES  
December 31, 2004

Public safety:	
Personal services	\$24,364
Operating services	93,676
Materials and supplies	20,623
Travel	2,822
Intergovernmental	9,177
Debt service - interest	13,158
Depreciation expense	82,589
Total Program Expenses	<u>246,409</u>
General revenues:	
Taxes - ad valorem	235,164
2% fire insurance rebate	6,196
Interest earned	1,707
Other	55
Total General Revenues	<u>243,122</u>
Change in Net Assets	(3,287)
Net Assets - Beginning of year	<u>1,177,949</u>
Net Assets - End of year	<u><u>\$1,174,662</u></u>

See accompanying notes and accountant's compilation report.

**Statement C**

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2004

**ASSETS**

Cash and cash equivalents	\$8,527
Investments	92,491
Receivables - ad valorem taxes	<u>203,157</u>
<b>TOTAL ASSETS</b>	<b><u>\$304,175</u></b>

**LIABILITIES AND FUND EQUITY**

## Liabilities:

Accounts payable	\$9,105
Payroll taxes payable	1,044
Deferred revenues	<u>19,708</u>
<b>TOTAL LIABILITIES</b>	<b><u>29,857</u></b>
Fund Equity - fund balances - unreserved - undesignated	<u>274,318</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$304,175</u></b>

See accompanying notes and accountant's compilation report.

**Statement D**

DISTRICT NO. 6, CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana

Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Assets

For the Year Ended December 31, 2004

Total Fund Balances at December 31, 2004 - Governmental Funds (Statement C)		<u>\$274,318</u>
Cost of capital assets at December 31, 2004	\$2,120,863	
Less: Accumulated depreciation as of December 31, 2004	<u>(816,685)</u>	<u>1,304,178</u>
Long term liabilities at June 30, 2004:		
Leases payable	(390,676)	
Accrued interest payable	<u>(13,158)</u>	<u>(403,834)</u>
Net Assets at December 31, 2004		<u><u>\$1,174,662</u></u>

**Statement E**

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended December 31, 2004

**REVENUES**

Ad valorem taxes	\$235,164
Intergovernmental revenues - fire insurance rebate	6,196
Use of money and property	1,707
Other revenues	<u>55</u>
Total revenues	<u>243,122</u>

**EXPENDITURES**

Public safety:	
Current:	
Personal services	24,364
Operating services	93,676
Materials and supplies	20,623
Travel and other	2,822
Capital outlay	274,607
Debt service	28,136
Intergovernmental	<u>9,177</u>
Total expenditures	<u>453,405</u>

<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(210,283)
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**OTHER FINANCING SOURCE**

Proceeds from lease	<u>269,500</u>
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<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCE OVER EXPENDITURES</b>	59,217
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<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>215,101</u>
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<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$274,318</u></u>
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See accompanying notes and accountant's compilation report.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana

Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2004

Total net change in fund balances - governmental funds (Statement E)	(\$59,217)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which current year accrued interest expense exceeds prior year accrued interest expense.	5,791
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	(20,769)
Governmental funds report increase in capital lease as an increase in financial resources and an increase in capital outlay for the asset obtained through the lease. In the Statement of Activities, long term debt is increased when the lease is entered into and decreased as lease payments are made.	269,500
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$274,607) exceed depreciation (\$82,589) for the period.	<u>(192,018)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$3,287</u></u>



DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2004

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

District No. 6, Claiborne Parish Fire Department, Inc. was originally created as the Lisbon Fire Protection District by resolution of the Claiborne Parish Police Jury on May 7, 1987. The district was incorporated on August 6, 1987. The name of the district was changed to District No. 6, Claiborne Parish Fire Department, Inc., by resolution of the police jury on February 11, 1988. The district was created to purchase and maintain fire equipment and provide fire protection for people within the district as provided by Louisiana Revised Statutes 40:1491-1501. Fire protection for the district is provided totally by volunteers. The district has fire stations located in Lisbon, Sharon, Arizona and Antioch. A resolution by the Claiborne Parish Police Jury on August 5, 1993, allowed District No. 6, Claiborne Parish Fire Department, Inc., to annex the station at Summerfield and to add stations at Hebron, Bailey Town, and Gorden. The district is governed by a five member board of commissioners: two members appointed by the Claiborne Parish Police Jury, two members appointed by the Mayor and Board of Aldermen of the Village of Lisbon, and one member by the other four members. Members serve two-year terms.

The accompanying financial statements of the District No. 6, Claiborne Parish Fire Department, Inc. have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the District’s activities.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Notes to the Financial Statements (Continued)

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Claiborne Parish Police Jury is the financial reporting entity for Claiborne Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Claiborne Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created the district, appoints certain commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the Claiborne Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Claiborne Parish financial reporting entity.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Notes to the Financial Statements (Continued)

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The district's basic financial statements include both government-wide (reporting the district as a whole) and fund financial statements (reporting the district's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets. The district first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district's general revenues.

**Allocation of Indirect Expenses** - The district reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

**C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the district are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Notes to the Financial Statements (Continued)

financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district's current operations require the use of only governmental funds. The governmental fund type used by the district is described as follows:

**Governmental Fund Type**

**General Fund** - The General Fund is the principal fund of the district and is used to account for the operations of the district's office. The various fees and charges due to the district's office are accounted for in this fund. General operating expenditures are paid from this fund.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Notes to the Financial Statements (Continued)

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Notes to the Financial Statements (Continued)

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, ad valorem taxes and other intergovernmental revenues have been treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. CASH AND CASH EQUIVALENTS**

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2004, the district has cash and cash equivalents (book balances) totaling \$8,527.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2004, total \$13,787 and are fully secured by federal deposit insurance.

**F. INVESTMENTS**

Investments held at December 31, 2003 consist of \$92,491 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2004 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Notes to the Financial Statements (Continued)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

## **G. RISK MANAGEMENT**

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the police jury maintains coverage on the fire district. The policy covers general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2004.

DISTRICT NO. 6  
 CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
 Lisbon, Louisiana  
 Notes to the Financial Statements (Continued)

**2. LEVIED TAXES**

The district is authorized to levy a maximum tax of 11.15 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 11.31 mills for 2004. The tax will expire with the 2006 tax roll.

The difference between authorized and levied millage is the result of reassessments of taxable property in the parish, as required by Article VII, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2004 assessed valuation.

	2004 Assessed Valuation	Percent of Total Assessed Valuation
Texas Gas Transmission Corp.	\$4,554,980	4.97%
Marathon Oil Company	3,599,170	3.92%
Ludlow Corporation	3,509,360	3.83%
Duke Energy Field Services, Inc.	2,703,770	2.95%
XTO Energy	2,663,700	2.90%
Hunt Oil Company	1,938,580	2.11%
Claiborne Electric Co-op., Inc.	1,864,870	2.03%
Entergy Louisiana, Inc.	1,704,180	1.86%
Centerpoint Energy Gas Trans.	1,538,000	1.68%
Bellsouth Telecommunications	1,442,720	1.57%
Total	<u>\$25,519,330</u>	<u>27.82%</u>

**3. CHANGES IN GENERAL FIXED ASSETS**

The following presents the changes in general fixed assets for the year ended December 31, 2004:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Buildings	\$615,000			\$615,000
Machinery and equipment	104,070	\$5,107		109,177
Vehicles	888,000			888,000
Assets under capital lease	239,186	269,500		508,686
Total	<u>\$1,846,256</u>	<u>\$274,607</u>	<u>NONE</u>	<u>\$2,120,863</u>



DISTRICT NO. 6  
 CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
 Lisbon, Louisiana  
 Notes to the Financial Statements (Continued)

Depreciation on capital assets	<u>(\$734,096)</u>	<u>(\$82,589)</u>	<u>NONE</u>	<u>(\$816,685)</u>
Net capital assets	<u>\$1,112,160</u>	<u>\$192,018</u>	<u>NONE</u>	<u>\$1,304,178</u>

Beginning balance has been adjusted due to fire district changing its capitalization policy to assets over \$500 and performing a physical inventory.

#### 4. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2004:

	<u>Capital Leases</u>
Long-term debt payable at January 1, 2004	\$141,945
Additions	269,500
Reductions	<u>(20,769)</u>
Long-term debt payable at December 31, 2004	<u>\$390,676</u>

#### 5. CAPITAL LEASE

The district records items under capital leases as an asset and an obligation in the accompanying financial statements. During 1999, the district entered into a capital lease for two pumpers on International 4900 chassis. The lease had an original recorded amount of \$239,186. The district also entered into a capital lease during 2004 for two pumpers mounted on Freightliner M2 chassis. The lease had an original recorded amount of \$269,500. Lease obligations are retired from the General Fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 2004:

2005	\$88,520
2006	88,520
2007	88,520
2008	88,520
2009	<u>88,520</u>
Total	442,600
Less amount representing interest	<u>(51,924)</u>
Present value of net minimum lease payments	<u>\$390,676</u>

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Notes to the Financial Statements (Continued)

**6. PENSION PLANS**

The district does not participate in any pension or retirement plans.

**7. LITIGATION AND CLAIMS**

The district is not involved in any litigation at December 31, 2004, nor is it aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2004

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes - ad valorem	\$225,000	\$227,000	\$235,164	\$8,164
Intergovernmental revenues -				
fire insurance rebate	6,000	6,000	6,196	196
Use of money and property	4,000	3,000	1,707	(1,293)
Other revenues	2,000	1,500	55	(1,445)
Total revenues	<u>237,000</u>	<u>237,500</u>	<u>243,122</u>	<u>5,622</u>
<b>EXPENDITURES</b>				
Current:				
General government - taxation:				
Personal services and related benefits	36,924	38,824	24,364	14,460
Operating services	70,250	77,050	93,676	(16,626)
Materials and supplies	24,100	22,800	20,623	2,177
Travel and other charges	500	500	2,822	(2,322)
Capital outlay	309,500	289,500	274,607	14,893
Debt service	28,136	28,136	28,136	
Intergovernmental	7,700	7,811	9,177	(1,366)
Total expenditures	<u>477,110</u>	<u>464,621</u>	<u>453,405</u>	<u>11,216</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(240,110)	(227,121)	(210,283)	16,838
<b>OTHER FINANCING SOURCE</b>				
Proceeds from lease	<u>269,500</u>	<u>269,500</u>	<u>269,500</u>	
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCE OVER EXPENDITURES</b>	29,390	42,379	59,217	16,838
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>45,000</u>	<u>49,852</u>	<u>215,101</u>	<u>165,249</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$74,390</u>	<u>\$92,231</u>	<u>\$274,318</u>	<u>\$182,087</u>

See accompanying note to budgetary comparison schedule.

District No. 6  
Claiborne Parish Fire Department, Inc.  
Lisbon, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts. There was one budget amendment for the year ended December 31, 2004.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended December 31, 2004

**COMPENSATION PAID COMMISSIONERS**

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The commissioners receive \$30 per meeting.

**Schedule 2**

**DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana**

**Schedule of Compensation Paid Commissioners  
For the Year Ended December 31, 2004**

Jack Bailey	\$330
Sonny Greeson	330
Gary Hoof	30
Danny Lee	360
Joe Richardson	<u>360</u>
Total	<u>\$1,410</u>

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures**

The following independent Accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

**BOARD OF COMMISSIONERS**

**DISTRICT NO. 6**

**CLAIBORNE PARISH FIRE DEPARTMENT, INC.**

Lisbon, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the District No. 6, Claiborne Parish Fire Department, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District No. 6, Claiborne Parish Fire Department, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursement journals for the year. That review disclosed no expenditures during the period under examination for materials and supplies exceeding \$20,000. No expenditures were disclosed for public works exceeding \$100,000.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Independent Accountant's Report on  
Applying Agreed Upon Procedures,  
December 31, 2004

**Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

None of the contracted parties included on the list provided by management in agreed-upon procedure 3 above appeared on the list provided by management in agreed-upon procedure 2 above.

**Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original and amended budget.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on December 8, 2003 and the budget amendment to the minutes of meetings held on December 13, 2004.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by 5% or more, and actual expenditures did not exceed budgeted amounts by 5%. Final amended budget expenditures did not exceed estimated funds available.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Independent Accountant's Report on  
Applying Agreed Upon Procedures,  
December 31, 2004

**Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and;
- (a) trace payments to supporting documentation as to correct amount and payee;
  - (b) determine if payments were properly coded to the correct fund and general ledger account;
  - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) The six payments were coded to the correct fund and general ledger account.
- (c) Inspection of supporting documentation for the six disbursements indicated all of the disbursements had approval from a board member on the actual invoices.

**Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

*I inquired of management whether agendas for meetings were posted at the meeting place at least twenty-four hours prior to the meeting. Management stated that agendas were posted and a copy is retained with the minutes. From examination of these notices I determined that the date and time of posting is written on the notice to indicate compliance.*

**Debt**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

DISTRICT NO. 6  
CLAIBORNE PARISH FIRE DEPARTMENT, INC.  
Lisbon, Louisiana  
Independent Accountant's Report on  
Applying Agreed Upon Procedures,  
December 31, 2004

I inspected all deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness. Discussion with agency personnel also disclosed no debt proceeds.

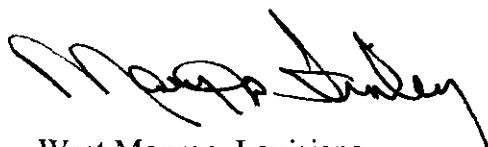
**Advances and Bonuses**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

As stated in number 3 above, the district has one paid employee. A reading of the minutes of the board for the year indicated no approval for payment of bonuses, advances, or gifts. I also inspected disbursements journals for of the year and noted no instances which would indicate payments to board members or employees which would constitute bonuses, advances, or gifts.

I am not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the District No. 6, Claiborne Parish Fire Department, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Although the intended use of these reports may be limited, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana  
May 13, 2005

### **Louisiana Attestation Questionnaire**

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the questionnaire.

Mary Jo Finley, CPA, Inc.  
116 Professional Drive  
West Monroe, LA 71291

In connection with your compilation of our financial statements of the Claiborne Parish Fire Protection District No. 6 as of December 31, 2004 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of May 13, 2005.

#### **PUBLIC BID LAW**

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes [ X ] No [ ] N/A [ ]

#### **CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. No employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes [ X ] No [ ] N/A [ ]

3. No member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes [ X ] No [ ] N/A [ ]

#### **BUDGETING**

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [ X ] No [ ] N/A [ ]

## **ACCOUNTING AND REPORTING**

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐ N/A ☐

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable.

Yes ☒ No ☐ N/A ☐

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐ N/A ☐

## **MEETINGS**

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes ☒ No ☐ N/A ☐

## **DEBT**

9. We have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes ☒ No ☐ N/A ☐


## **ADVANCES AND BONUSES**

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐ N/A ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known non-compliance which may occur subsequent to the issuance of your report.

 May 13, 2005  
Chairman Date